

Article 28

PAID ANNUAL LEAVE

Section A. Initial Leave.

Upon hire, each permanent employee shall be credited with an initial annual leave grant of 16 hours, which shall be immediately available, upon approval of the Employer, for such purposes as voting, religious observance, and necessary personal business. The 16 hours initial grant of annual leave shall not be credited to an employee more than once in a calendar year.

Section B. Allowance.

A permanent employee shall be entitled to annual leave with pay for each 80 hours of paid service or to a pro-rated amount if paid service is less than 80 hours in the pay period as follows: Paid service in excess of 80 hours in a biweekly work period shall not be counted.

ANNUAL LEAVE TABLE

<u>Service Credit</u>	<u>Annual Leave</u>
0-1 yrs (0- 2,079 hrs)	4.0 hrs 80 hrs./service
1-5 yrs (2,080-10,399 hrs)	4.7 hrs 80 hrs./service
5-10 yrs (10,400- 20,799 hrs)	5.3 hrs/80 hrs service
10-15 yrs (20,800- 31,199 hrs)	5.9 hrs/80 hrs service
15-20 yrs (31,200- 41,599 hrs)	6.5 hrs/80 hrs service
20-25 yrs (41,600- 51,999 hrs)	7.1 hrs/80 hrs service
25-30 yrs (52,000- 62,399 hrs)	7.7 hrs/80 hrs service
30-35 yrs (62,400- 72,799 hrs)	8.4 hrs/80 hrs service
35-40 yrs (72,800- 83,199 hrs)	9.0 hrs/80 hrs service
40-45 yrs (83,200- 93,599 hrs)	9.6 hrs/80 hrs service
45-50 yrs (93,600-103,999 hrs)	10.2 hrs/80 hrs service

For the purposes of additional annual leave, an employee shall be allowed state service credit for employment in any non-elective excepted or exempted position in a principal department, the legislature, and the supreme court which immediately preceded entry into the state classified service, or for which a leave of absence was not granted; up to five years of honorable service in the armed forces of the United States subsequent to January 1, 1938, for which a Military Leave of Absence would have been granted had the veteran been a state classified employee at the time of entrance upon military service. (When an employee separates from employment and subsequently returns, military service previously credited shall not count as current continuous state service for purposes of requalifying for additional annual leave if the employee previously qualified for and received these benefits.)

Section C. Crediting.

Annual leave shall be credited at the end of the biweekly work period in which 80 hours of paid service is completed. Annual leave shall be available for use only in biweekly work periods subsequent to the biweekly work period in which it is earned. When paid service does not total 80 hours in a biweekly work period, the employee shall be credited with a pro-rated amount of leave for that work period based on the number of hours in pay status divided by 80 hours multiplied by the applicable accrual rate. No annual leave shall be authorized, credited or accumulated in excess of the schedule below, except that an employee who is suspended or dismissed in accordance with this Agreement and who is subsequently returned to employment with back benefits through grievance settlement or by an Arbitrator under Article 9, shall be permitted annual leave accumulation in excess of the schedule below. Any excess thereby created shall be liquidated within two years from the date of reinstatement by means of paid time off. An employee who returns to work from an injury or illness covered by Workers' Compensation shall also be permitted to be paid off for annual leave accumulation in excess of the schedule with written notification during the first biweekly of their return to work or to retain such excess accumulation. Such excess shall be liquidated within one year from the employee's return to work by means of paid time off work.

Any excess that exists thereafter caused by denied leave requests shall be paid off at rates then in effect. If the employee separates from employment for any reason during that one or two-year grace period, the employee or beneficiary shall be paid for no more than the maximum as indicated below of unused credited annual leave.

Subject to applicable tax and accounting regulations, an employee who has been discharged and thereupon paid off for his/her annual leave balance, but who is subsequently restored to employment with full backpay and benefits, shall have the option upon such reinstatement to either retain the amount of the payment, and therefore forego a restored annual leave balance, or return the payment and have such leave restored.

Except as may be authorized by state retirement statute, no annual leave in excess of 240 hours shall be included in final average compensation for the purpose of calculating the level of retirement benefits. The parties agree that the accumulation schedule shall be as listed below.

ANNUAL LEAVE ACCUMULATION SCHEDULE

<u>Service Years</u>	<u>Accumulation Limit (Maximum Hours)</u>
0-01 (0-2,079 hrs.)	248
1-05 (2,080-10,399 hrs.)	248
5-10 (10,400-20,799 hrs.)	263
10-15 (20,800-31,199 hrs.)	278
15-20 (31,200-41,599 hrs.)	293
20-25 (41,600-51,999 hrs.)	298
25+ (52,000+ hrs.)	308

Section D. Transfer and Payoff.

Employees who voluntarily transfer from one state department to another shall be paid off at their current rate of pay for their unused annual leave. However, the employee may elect, in writing, to transfer up to 80 hours of accumulated annual leave. Annual leave in excess of 80 hours, if any, up to the maximum may be transferred with the approval of the departmental employer to whose service the employee transfers.

Employees who separate by reason other than suspension, approved leave of absence, or temporary layoff shall be paid at their current hourly base rate for the balance of their unused annual leave. An employee who is suspended or placed on a leave of absence shall not be entitled to payment for unused annual leave balance.

An employee separated from State employment by reason of indefinite layoff (including a voluntary layoff for a definite term in excess of 20 calendar days) may elect to freeze annual leave up to the accumulated balance at the time of layoff. Such balance shall be retained until the employee elects to be paid off for the balance or until the employee's recall rights expire, whichever occurs first. Payoff shall be at the employee's base rate of pay at the time of layoff.

If, while in such layoff status, the employee requests payoff, such payment shall not be due and payable, although it may be made, until 60 calendar days following the date of layoff or 30 calendar days following the date of written request, whichever occurs later.

If such an employee has not elected to freeze annual leave as provided above, such payment shall not be due and payable, although it may be made, until the payroll which contains the 60th calendar day following the date of layoff is released.

In the event such employee is recalled or otherwise returned to permanent State employment during or upon the expiration of such period, the obligation to make such payment shall be canceled.

An employee who retires from an assault covered by Public Act 293 or Public Act 414 shall be paid for all accrued annual leave in excess of the annual leave cap.

Section E. Utilization.

Notwithstanding any practice (formal or informal) to the contrary, an employee may charge absence to annual leave only with the prior approval of the Employer; however, such approval shall not be arbitrarily withheld. Annual leave shall not be credited or used in anticipation of future leave credits. In the absence of sufficient leave credits, or in the event of unexcused absence for which annual leave is denied, payroll reductions (lost time) shall be made for the work period in which the absence occurred.

An employee may request and shall be allowed to use annual leave to substitute for all or part of any unpaid leave where the leave is for a qualifying purpose under the Federal Family and Medical Leave Act (FMLA). Annual leave may be substituted for an unpaid parental leave, medical leave of the employee's own serious health condition, or family care leave when such leave is to care for the employee's parent, spouse, or child's serious health condition. The amount of paid leave to be counted against the employee's FMLA leave entitlement will not exceed twelve work weeks during a twelve month period. The twelve month period is as defined in the FMLA Letter of Understanding accompanying this Agreement.

In accordance with the FMLA, annual leave used by the employee will be charged against the employee's FMLA leave entitlement when the annual leave is for a serious health condition and—

1. The employee requests annual leave to substitute for an unpaid intermittent or reduced work schedule; or
2. Where the employee requests the use of annual leave for a qualifying purpose under the FMLA and the absence from work is intended to be for five or more work days.

Where an employee requests the use of annual leave and it is determined based on information provided by the employee or his/her spokesperson that the reason for the paid leave is for a qualifying purpose under the FMLA, the Employer may designate the leave as such and it will be counted against the

employee's twelve work week leave entitlement under the FMLA. When the Employer requires that annual leave be counted as FMLA leave, this designation will be made at the time the Employer determines the leave qualifies as FMLA leave. The Employer will notify the employee that the paid leave is designated and will be counted as FMLA leave. In no event will the Employer designate leave as FMLA leave after the leave has ended.

Section F. Annual Leave Application and Scheduling.

Consistent with the operational needs of the Employer, annual leave may be granted at such times during the year as requested by the employee, in the order received. Operational needs shall include (among other things) vacation schedules as provided below.

Vacation is defined as a period of five or more consecutive work days of annual leave, except in a week containing a contractual holiday, in which case the number of days of annual leave is reduced by the number of holidays in such week.

Changes in future vacation scheduling plans may be made through secondary negotiations or, in the absence of a secondary agreement, at facility Labor-Management meetings upon the request of either party. The basic requirements for local vacation schedule procedures will be:

1. The vacation book will be passed at least two times for each calendar year, the first pass of which must be completed by November 30 of the preceding year.
2. Vacation dates can be reserved for any period during the calendar year.
3. The maximum number of Bargaining Unit employees that can be scheduled for vacation or annual leave at any one period of time must be set in advance by management. The formula must ensure that employees are able to use the amount of annual leave time that they earn in a calendar year.
4. The number of days that can be signed for each round that the book is passed will be determined through secondary negotiations or, in the absence of a secondary agreement, shall remain a local issue to be decided upon in local Labor-Management meetings.
5. In the Department of Corrections, after the vacation book has been passed, any remaining slots shall be made available for incidental annual leave use. Incidental annual leave requests shall be filled on a first

requested, first granted basis, or in accordance with local written agreements even if allowing that employee off would result in the use of overtime. Agreements may be made locally to allow staff reporting to shift above those required by the daily shift requirements to utilize appropriate leave credits as staffing needs permit. Employees may be required to report for work to ensure adequate staffing before compensatory time or annual leave is granted for a "surplus" of staff. The clear intent is to provide sufficient opportunities for employees to utilize all the annual leave earned during the year.

6. The local chapter shall be provided with a copy of the vacation book after the passes are completed.

Employees who transfer to a new facility or shift will be eligible to select a vacation consistent with any local agreement. In the absence of a local agreement an employee may select an available 40 hour vacation block (five consecutive work days) from what is available in the vacation book during his/her first pay period on the shift. If the vacation book is in the process of being passed when the employee arrives, he/she will come into the selection process according to his/her seniority and at the stage in the process that is currently being offered. Incidental vacation days may only be obtained through the locally established, "incidental day" procedure. Current practices concerning the calculation and use (and non-use) of a formal "annual leave formula" may continue; however, the subject of annual leave utilization shall be addressed in secondary negotiations at the request of either of the parties. It is understood that the parties' Letter of Intent #1 and Letter of Understanding #1 for the Department of Corrections, and the February 1997 Letter of Understanding between MCO and the Department of Community Health reached in conjunction with secondary negotiations continue in effect unless altered through secondary negotiations.

Consistent with the operational needs of the Employer, such requests for vacation shall be honored in accordance with the employee's seniority. Requests for vacation shall be submitted in writing and approved in writing. A vacation or annual leave request, once submitted and approved, may only be canceled by the employee, or by the Employer in emergency circumstances only. When a holiday falls during an employee's scheduled vacation, such holiday shall not be charged against the employee's vacation time.

When an employee wishes to cancel his/her own scheduled vacation, and notifies the Employer of such cancellation less than 14 days prior to the beginning of the work period during which the vacation was scheduled, the Employer shall not be liable to reschedule the employee for work, nor for any

premium pay to any other employee who is rescheduled to permit the employee to return to work.

When an employee has been granted incidental annual leave, the Employer shall be under no obligation to grant the employee's subsequent request to cancel same, nor to schedule the employee for work.

Employees on annual leave who become ill or are injured and who thereby require (1) hospitalization, (2) emergency surgery/treatment and convalescence there from, or (3) a return to home and confinement thereto, may convert such period of time to sick leave. Employees required to return from annual leave because of death or unexpected illness of a person for whom sick leave could normally be used may convert such time to sick leave, provided that the employee furnishes the documentation required for such circumstances. Where annual leave is converted to sick leave, and the use of sick leave is for a qualifying purpose under the FMLA, such sick leave, if for five or more work days, may be counted against the employee's FMLA entitlement of 12 work weeks during a 12 month period.

Section G. Birthday Leave.

In each year of this Agreement, each employee who has completed one or more years of Bargaining Unit seniority, as defined in Article 13, Section C., and is in satisfactory standing, shall be credited with a birthday annual leave grant of eight hours which shall be available to the employee only during the pay period containing the employee's birthday. By notice to the supervisor not more than 30 days but not less than seven days prior to the beginning of the pay period in which the birthday falls, the employee shall be entitled to use such leave to provide a paid absence on his/her birthday or, by mutual agreement between the employee and the supervisor, on another day in such pay period. The eight hours grant of birthday leave shall not be credited to an employee more than once in a fiscal year. The eight hour grant of birthday leave shall not be counted as part of the total authorized annual leave credits, nor shall it be counted against the maximum number of employees that may be scheduled for annual leave, nor shall such birthday leave be paid off upon separation.

In the event an eligible employee is denied both a request to take the actual birthday and a request to take a day contiguous to the regular days off as the birthday leave day, and the employee actually works on the birthday, the employee shall be compensated at overtime premium rates of time and one-half (1½) for all hours worked on the birthday.

Section H. Annual Leave Buy-Back.

An employee separated from State employment by reason of layoff who has been recalled from layoff to a permanent position in a different Department or Agency may elect, while in such position, to restore up to 80 hours of accumulated annual leave balances which have been paid off. An employee recalled to the Department and Agency from which he/she was laid off may elect to restore any portion of annual leave up to the amount he/she was paid off.

An employee electing this option shall buy back the annual leave at the rate of pay in effect at the time of return from layoff. Such payment shall be made to the Department/Agency making the payoff. Such option may be exercised only one time, and may be exercised only during the first 13 pay periods of the recall.

Section I. Emergency Use.

Employees will be authorized to charge an absence from work due to an emergency (such as transportation troubles) to annual leave and details of implementation will be agreed to at facility Labor-Management meetings, or as necessary by the Department and MCO. At the request of either party, the subject of a departmental policy regarding charging unanticipated absences to annual leave shall be subject to bargaining at secondary negotiations. Agreements reached (or, in the event of impasse, imposed) as a result of secondary negotiations shall supersede such local labor-management agreements to the extent there is a conflict between the secondary provision and the local provision.

Section J. Additional Annual Leave.

Each permanent full-time non-probationary employee shall receive 12 hours of annual leave to be used in accordance with sections of this Article pertaining to annual leave usage. Four of these hours are in lieu of a biennial General Election Day holiday. Such leave shall be credited to the eligible employee's annual leave counter on each October 1st of this Agreement. Such leave shall be credited to the employee upon returning from leave of absence (if not previously credited) and return to active payroll status. Such leave shall be credited to an employee entering or re-entering the Bargaining Unit (e.g., recall from layoff) on a pro-rata basis. However, no employee shall be entitled to more than one grant of leave in any fiscal year.

It shall be the employee's responsibility to monitor the balance in his/her annual leave counter in order to permit crediting of the leave grant on October 1st.

Section K. Annual Leave Bank.

Upon employee request, unless provided otherwise in this Article, annual leave credits may be donated and transferred to other employees for their use under the following conditions:

1. Donations.

- a. Annual leave donations must be in whole hour increments and must be for a minimum of four hours and cannot exceed a maximum of 40 hours per employee annually.
- b. A direct donation to a particular employee may occur at any time.
- c. Employee donations are irrevocable.
- d. The right to donate hours is not limited to employees in this Bargaining Unit where reciprocal agreements exist with other exclusive representatives or is provided for in Civil Service Rules and procedures for non-exclusively represented employees.

2. Right to Receive Annual Leave Donations. An employee may receive donated annual leave credits under the following conditions:

- a. The employee must have successfully completed his/her initial probationary period and must be facing financial hardship due to serious injury or the prolonged illness of the employee or his/her dependent spouse, child, or parent.
- b. The employee must have exhausted all of his/her own leave credits, and not be receiving LTD or Workers' Compensation.
- c. The employee's absence from work must have been approved by the Employer.
- d. The employee may receive a maximum of 30 workdays provided in Section 1. above.
- e. If the receiving employee returns to work with unused donated hours, those unused hours shall be transferred to the leave bank.
- f. The employing department and MCO shall each designate one representative to review requests and determine eligibility to receive donated leave bank hours.

3. Procedure. Where the MCO chapter and facility administration agree that annual leave donation is appropriate, the request, along with a list of employees wishing to make donations, shall be forwarded to the Department of Corrections Labor Relations Manager or Department of Community Health designee, as appropriate, and the MCO Central Office for approval. Such request should also include the circumstances of the hardship.

Section L. Banked Leave Time.

Accumulated Banked Leave Time (BLT) may be used by an employee in the same manner as regular annual leave. Accumulated BLT hours shall not be counted against the employee's regular annual leave cap, known as Part A hours. Before incurring unpaid Plan A or Plan C hours all BLT hours must be exhausted.

The employee must exhaust all BLT hours prior to being considered for any annual leave donation.

Upon an employee's separation, death or retirement from state service, unused BLT hours shall be contributed by the State to the employee's account within the State of Michigan 401(k) plan, and if applicable to the State of Michigan 457 plan. If the employee does not have a 401(k) account, one will be created. Such contribution shall be treated as non-elective employer contributions, and shall be calculated using the product of the following: (i) the number of BLT hours and, (ii) the employee's base hourly rate in effect at the time of the employee's separation, death, or retirement from state service.